

NEW APPLICATION



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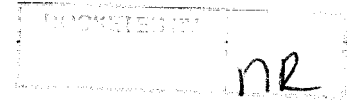
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2009 MAR 12 P 12:45

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

MAR 12 2009



BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF TONTO BASIN WATER CO., INC., AN
ARIZONA CORPORATION, FOR
AUTHORITY (1) TO ISSUE EVIDENCE
OF INDEBTEDNESS IN AN AMOUNT
NOT TO EXCEED \$73,000.00 IN
CONNECTION WITH (A) THE
CONSTRUCTION OF WATER SYSTEM
INFRASTRUCTURE IMPROVEMENTS
AND (B) REPAYMENT AND
CONSOLIDATION OF EXISTING DEBT;
AND (2) TO ENCUMBER ITS REAL
PROPERTY AND PLANT AS SECURITY
FOR SUCH INDEBTEDNESS.

W-03515A-09-0109

DOCKET NO. W-03515A-09-_____

APPLICATION (FINANCING)

Pursuant to A.R.S. §§ 40-285, 40-301 and 40-302, Tonto Basin Water Co., Inc. ("Tonto Basin Water" or the "Company"), an Arizona public service corporation, hereby applies for authority from the Arizona Corporation Commission ("Commission") to (1) issue evidence of indebtedness in an amount not to exceed \$73,000.00 on the terms and conditions set forth below, and (2) encumber its real property and utility plant as security for such indebtedness. This debt will be incurred for the purpose of constructing a new additional above ground 50,000 gallon water storage reservoir so as to comply with customer demands for water service as well as the requirements of the Arizona

1 Department of Environmental Quality ("ADEQ") in the Company's Lake Roosevelt
2 Estates water system located in Tonto Basin, Arizona.

3 In support of this application, Tonto Basin Water states as follows:

4 **A. General Background.**

5 1. Tonto Basin Water is a public service corporation providing water service to
6 approximately 900 customers in Gila County, Arizona. Tonto Basin Water's current rates
7 and charges were authorized in Decision No. 62401 (May 1, 2000).

8 2. Tonto Basin Water's business office is located at 1010 S. Stover Rd., Payson,
9 Arizona 85541. Its telephone number is 928-447-8130, and its telecopier number is 928-
10 472-8747. The Company's primary management contact is Robert T. Hardcastle, the
11 Company's President. Mr. Hardcastle is also responsible for overseeing and directing the
12 conduct of this Application. His telephone and telecopier numbers are 661-633-7526 and
13 800-748-6981, respectively. His email address is rth@brookeutilities.com. All discovery,
14 data requests and other requests for information concerning this Application should be
15 directed to Mr. Hardcastle, with a copy to counsel for the Company in this matter, Jay L.
16 Shapiro (jshapiro@fclaw.com).

17 3. Financial statements for the twelve-month period ending December 31, 2008,
18 are attached at **Exhibit 1**.

19 **B. Purposes of Financial Transactions.**

20 4. The primary purpose of the long-term debt financing contemplated herein is
21 to construct new additional above ground 50,000 gallon water storage reservoir so as to
22 comply with customer demands for water service as well as the requirements of the
23 ADEQ in the Company's Lake Roosevelt Estates water system located in Tonto Basin,
24 Arizona. The total estimated cost of the additional plant and improvements is
25 approximately \$73,000.00. A detailed breakdown of the estimated cost of the water
26 system improvements is attached as **Exhibit 2**. The water infrastructure improvements

1 are necessary to provide necessary water storage for customer demand and regulatory
2 compliance in the Company's Lake Roosevelt Estates water system.

3 **C. Terms and Conditions of Financial Transactions.**

4 5. The Company has applied to WIFA for financing, in large part, because
5 WIFA expects to receive monies from the recent federal stimulus package. Copies of the
6 Company's WIFA application is attached hereto as **Exhibit 3**. However, the specific,
7 actual terms of the WIFA financing are not known at this time. Tonto Basin Water will
8 supplement if and when such information becomes available.

9 6. Tonto Basin Water expects that its repayment obligation to WIFA will be
10 secured by the grant of a security interest in some or all of its real property and its water
11 plant and system, which property and facilities are yet to be identified.

12 **D. Effects of Financial Transactions.**

13 7. Tonto Basin Water's proforma balance sheet for the period ending
14 December 31, 2008, is attached at **Exhibit 4**. The pro forma balance sheet reflects the
15 impact of the financing transactions that are the subject of this Application. The
16 pro forma income statements will be filed as a late filed exhibit to this Application. The
17 loan proceeds will be issued for lawful purposes, and the execution of the loan agreement
18 with WIFA and the grant of a security interest in Tonto Basin Water's real property, plant
19 and system, and the undertaking of the obligations set forth therein are within Tonto Basin
20 Water's corporate powers. A Corporate Resolution authorizing the contemplated
21 transaction will be filed as a late filed exhibit to this Application.

22 8. The financial transactions contemplated herein are compatible with sound
23 financial practices. Tonto Basin Water has been urged by the Commissions Chairman to
24 seek WIFA financing to help address long-standing water supply limitations in its service
25 territory. Tonto Basin Water agrees that the pursuit of such financing is warranted.

26 9. The approvals sought herein are compatible with the public interest and with

1 the proper performance of Tonto Basin Water's duties as a public service corporation.
2 The proceeds of the financing will be utilized exclusively to construct new additional
3 above ground 50,000 gallon water storage reservoir so as to comply with customer
4 demands for water service as well as the requirements of the ADEQ in the Company's
5 Lake Roosevelt Estates water system located in Tonto Basin, Arizona. No portion of the
6 proceeds will be used to pay operating expenses. The approvals sought herein are
7 necessary to ensure the Company's ability to continue to provide safe and reliable water
8 utility service in compliance with all applicable law and regulation, including the rules
9 and regulations of ADEQ.

10 10. The financing contemplated herein will not impair the Company's ability to
11 perform its duties as a public service corporation providing water utility service.

12 11. Tonto Basin Water is in the process of providing notice of this application by
13 publishing notice, in the form provided by the Commission, in a newspaper of general
14 circulation in the area in which Tonto Basin Water provides service. Proof of publication
15 and a true copy of the notice as it appeared in the newspaper will be filed with the
16 Commission.

17 Based on the foregoing, Tonto Basin Water respectfully requests the following:

18 A. That the Commission consider this application on an expedited basis,
19 including the scheduling of a hearing, if necessary, on this matter as soon as practicable;

20 B. That the Commission enter an order approving this Application and
21 authorizing Tonto Basin Water, to incur indebtedness in an amount not to exceed
22 \$73,000.00 and to encumber its real property and utility plant and system to secure such
23 indebtedness for the purposes described hereinabove; and

24 C. That the Commission authorize Tonto Basin Water to take such other and
25 further action as may be necessary to effectuate the purposes of this Application, as may
26 be appropriate under the circumstances herein.

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RESPECTFULLY SUBMITTED this 12th day of March, 2009.

FENNEMORE CRAIG, P.C.

By: _____

Jay L. Shapiro

Todd C. Wiley

Attorneys for Applicant Tonto Basin Water
Co., Inc.

ORIGINAL and 15 copies delivered this
12th day of March, 2009 to:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By: *Marvin Samuels*

2174534.1

Tonto Basin Water Co., Inc.

Exhibit 1

Financial Statement

Tonto Basin Co., Inc.
Balance Sheet
January 31, 2009

01/31/09

12/31/08

ASSETS

WATER UTILITY PLANT

Utility Plant in Service	\$1,165,586	\$1,163,664
Less: Accum Depreciation & Amortization	<u>(506,057)</u>	<u>(502,951)</u>
WATER UTILITY PLANT, NET	659,529	660,713

OTHER UTILITY ASSETS

CURRENT ASSETS

Prepaid and Other	<u>5,521</u>	<u>6,625</u>
TOTAL CURRENT ASSETS	5,521	6,625

TOTAL ASSETS	<u>\$665,050</u>	<u>\$667,338</u>
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LIABILITIES AND EQUITY

EQUITY

Common Stock	276,219	276,219
Additional Paid in Capital	79,748	79,748
Retained Earnings (Accumulated Deficit)	408,175	308,587
Current Year Net Income (Loss)	<u>2,845</u>	<u>99,588</u>
TOTAL EQUITY	766,987	764,142

CURRENT LIABILITIES

Affiliate Payables	<u>(321,329)</u>	<u>(320,010)</u>
TOTAL CURRENT LIABILITIES	(321,329)	(320,010)

DEFERRED CREDITS

Deferred State Income Tax	(103,000)	(103,000)
Aid in Advance of Construction (AIAC)	86,017	86,017
Contributions in Aid of Construction (CIAC)	294,304	297,397
A/A Contribution in Aid of Construction	<u>(57,929)</u>	<u>(57,207)</u>
TOTAL DEFERRED CREDITS	219,391	223,206

LONG TERM DEBT

TOTAL LIABILITIES & EQUITY	<u>\$665,050</u>	<u>\$667,338</u>
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Tonto Basin Co., Inc.
Income Statement by Function
January 31, 2009

	LAST YEAR	LAST YTD	CURRENT YTD	JAN 2009	DEC 2008	NOV 2008	OCT 2008
OPERATING REVENUES							
Metered Sales Residential	\$324,711	\$11,500	\$21,895	\$21,895	\$27,267	\$72,855	\$25,731
Metered Sales Commercial	12,487	560	824	824	971	1,126	1,496
Establishment Charge	2,175	280	170	170	210	100	295
Late Fees	1,379	229	164	164	137	137	173
Other Revenues	(4,609)	0	(2)	(2)	(4,460)	0	44
TOTAL OPERATING REVENUES	336,143	12,569	23,051	23,051	24,125	74,219	27,739
OPERATING EXPENSES							
Source of Supply							
Salary and Wages	4,344	156	44	44	2,377	297	0
Payroll Taxes	182	5	6	6	40	23	0
Benefits	22	0	2	2	3	3	0
Utilities	24,075	1,476	3,554	3,554	0	1,729	2,806
Repairs and Maintenance	1,366	121	392	392	0	142	0
Professional Fees	1,134	0	0	0	0	0	0
Regulatory Commission	1,782	0	0	0	0	0	0
Fines and Penalties	318	0	0	0	0	318	0
Utility Regulatory Costs	20	0	0	0	0	0	0
Total Source of Supply	33,242	1,757	3,998	3,998	2,419	2,512	2,806
Water Treatment							
Salary and Wages	3,446	2,252	349	349	75	75	188
Payroll Taxes	104	10	30	30	6	6	14
Benefits	18	0	2	2	1	4	1
Utility Regulatory Costs	8,101	75	60	60	75	344	3,508
Total Water Treatment	11,670	2,337	441	441	157	428	3,711
Transmission & Distribution							
Salary and Wages	32,034	163	754	754	4,049	2,711	3,122
Payroll Taxes	800	6	73	73	81	50	78
Benefits	124	0	10	10	11	16	12
Utilities	533	0	0	0	0	342	191
Communications	1,694	0	203	203	693	2	75
Repairs and Maintenance	3,763	155	14	14	264	905	231
Equipment Rentals	1,457	485	0	0	0	486	486
Repair Parts	419	0	0	0	0	0	0
Small Tools and Equipment	133	42	0	0	0	0	0
Utility Regulatory Costs	(445)	6	55	55	0	252	40
Total Transmission & Distribution	40,512	856	1,108	1,108	5,098	4,764	4,235
Customer Accounts							
Salary and Wages	4,734	1,316	106	106	338	138	336
Payroll Taxes	406	101	12	12	26	11	26
Benefits	43	0	3	3	4	5	4
Professional Fees	4,870	1,782	0	0	0	0	0
Total Customer Accounts	10,052	3,199	121	121	367	153	366
General & Administrative							
Salary and Wages	17,720	278	137	137	0	188	210
Payroll Taxes	1,306	0	13	13	0	14	16
Benefits	1,634	303	73	73	43	39	45
Building Occupancy	5,445	1,140	1,104	1,104	1,104	(4,105)	0
Communications	110	0	9	9	8	8	8
Professional Fees	1,119	63	88	88	75	63	63
Regulatory Commission	155	0	0	0	45	0	0
Advertising and Promotion	212	0	0	0	0	0	0
Dues and Subscriptions	53	0	0	0	0	0	0
Licenses and Permits	152	0	0	0	0	0	0
Bad Debts	8	8	0	0	0	0	0
Utility Regulatory Costs	35	0	0	0	0	14	0
Other General Business Expense	2,204	792	0	0	0	0	0
Purchased Water	280	0	0	0	0	280	0
Overhead Allocation	107,359	4,893	10,637	10,637	19,615	11,017	3,219
Total General & Administrative	137,792	7,476	12,060	12,060	20,890	7,518	3,561
OPERATING EXPENSES TOTAL	233,270	15,626	17,728	17,728	28,931	15,374	14,679
Depreciation & Amortization expense	21,641	2,699	2,383	2,383	1,961	(5,285)	(5,285)
INCOME (LOSS) FROM OPERATION	81,233	(5,756)	2,940	2,940	(6,768)	64,130	18,346
OTHER INCOME (EXPENSE)							
Interest Expense	(2,920)	(132)	(95)	(95)	0	0	0
Other	21,274	0	0	0	0	0	0

Tonto Basin Co., Inc.
Income Statement by Function
January 31, 2009

	<u>LAST YEAR</u>	<u>LAST YTD</u>	<u>CURRENT YTD</u>	<u>JAN 2009</u>	<u>DEC 2008</u>	<u>NOV 2008</u>	<u>OCT 2008</u>
TOTAL OTHER INCOME (EXPENSE)	<u>\$18,355</u>	<u>(\$132)</u>	<u>(\$95)</u>	<u>(\$95)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NET INCOME (LOSS)	<u>\$99,588</u>	<u>(\$5,889)</u>	<u>\$2,845</u>	<u>\$2,845</u>	<u>(\$6,768)</u>	<u>\$64,130</u>	<u>\$18,346</u>

Tonto Basin Water Co., Inc.

Exhibit 2

**Estimated Cost of the Water
System Improvements**

Tonto Basin Water Co., Inc.

WIFA Capital Improvements Budget

12-Mar-09

Improvement Description:	<u>Cost</u>
Construction labor and installation	\$5,000
Tank construction (subcontract)	\$68,000
<i>Total</i>	<u>\$73,000</u>

Tonto Basin Water Co., Inc.

Exhibit 3

WIFA Application

DRINKING WATER APPLICATION
Water Infrastructure Finance Authority of Arizona (WIFA)
Project Financial Assistance Priority List Application

SECTION 1: APPLICATION INFORMATIONAPPLICATION NUMBER: DW-075-2009  Print

- 1.1 Applicant: Tonto Basin Water Co. Job Title: Water Storage Tank Replacement
- 1.2 Contact Names: First Robert Middle Initial: T Last: Hardcastle
- 1.3 Address: P.O. Box 82218 City: Bakersfield State: CA Zip: 93380
- 1.4 Phone: (661) 393-7000 Fax: (781) 823-3070 E-Mail: RTH@jaco.com
- 1.5 County in Which Project is Located: Gila
- 1.6 Number of Connections to System: 307 Population Served by the System: 1000
- 1.7 Average Monthly Fee (Base + Use): \$35.00
- 1.8 Existing Debt (principal only) Payable by System Users: \$0.00
- 1.9 Median Household Income: \$30,000.00
- 1.10 ADEQ System Identification Number (PWS #): AZ0404026
- 1.11 Are you ACC Regulated? ☒ Yes ☐ No
- 1.12 Has this project received prior year WIFA funding?
- ☒ No
- ☐ Yes, request is for a multi-year construction project that received assistance in a previous funding cycle
- ☐ Yes, request is to construct a project that received TA funds in a previous funding cycle
- ☐ Yes, request is for additional financial assistance to offset actual costs of justified overruns
- 1.13 Is your company registered with the E-Verify Program? ☐ Yes ☒ No
(You will be required to provide proof of participation prior to the execution of a loan or grant agreement.)

SECTION 2: PROPOSED DRINKING WATER FINANCIAL ASSISTANCE PROJECT

- 2.1 Project Title/Name: Water Storage Tank Replacement
- 2.2 Type of loan required during this funding cycle? ☒ Design \$5,000.00 and/or ☐ Construction \$68,000.00
- 2.3 Briefly summarize below the problem *(Mail or upload any supporting documentation)*
- Severely leaking 50,000 gallon water storage tank; previously repaired numerous times at a point that it must be replaced.
- 2.4 Briefly summarize below the Solution
- Replace tank.
- 2.5 Project Purpose: *(Select only one)*
- Assist Non-Compliant Systems to Achieve Compliance
- Assist Compliant Systems to Meet Future Reqmnts
- Assist Compliant Systems to Maintain Compliance
- Other Assistance Not Compliance Related

SECTION 3: EXISTING CONDITIONS AND PROJECT BENEFITS

3.1 Select Type(s) of Needs to be Funded

- | | | |
|--|---|--|
| <input type="checkbox"/> Planning and Design Only | <input type="checkbox"/> Treatment-Bacteriological | <input type="checkbox"/> Treatment-Surface Water |
| <input type="checkbox"/> Treatment-Nitrate | <input type="checkbox"/> Treatment-Arsenic | <input type="checkbox"/> Treatment-Radionuclides |
| <input type="checkbox"/> Treatment-Organic Chemical(s) | <input type="checkbox"/> Treatment-Primary Standard [Metals(s)] | <input type="checkbox"/> Treatment-DBP |
| <input type="checkbox"/> Treatment-Other | <input type="checkbox"/> Transmission and Distribution | <input type="checkbox"/> Source |
| <input checked="" type="checkbox"/> Storage | <input type="checkbox"/> Purchase of System(s) | <input type="checkbox"/> Restructuring |
| <input type="checkbox"/> Land Acquisition | | |

3.2 Select Expected Project Benefit(s)

- ☒ Compliance - Existing Requirements ☐ Compliance - New Requirements ☐ Expand Service
- ☐ Reduce Public Health Risks

3.3 Water Quality Improvement

- ☐ Proposed project addresses deficiencies identified by ADEQ ☐ Submitted a complete capacity development plan to ADEQ
- ☐ Proposed project includes installing meters to monitor water use

3.4 Consolidation and Regionalization

- ☐ Consolidate physical facilities of existing multiple facilities ☐ Extending service to existing areas currently served by another facility
- ☐ Consolidate the operations of existing multiple facilities ☐ Consolidate the ownership of existing multiple facilities

3.5 System Compliance *must mail or upload supporting documents

- ☐ Notice of violations and/or consent orders from regulatory agency *
- ☒ In compliance

SECTION 4: READINESS TO PROCEED INDICATORS

4.1 Debt Authorization (For more information, see WIFA Debt Authorization Guidance Document)

- ☐ Authorized (mail or upload copy of official governing body debt authorization resolution or election results)
- ☒ Date of Election or Authorization Unknown
- ☐ Scheduled
- If scheduled, enter anticipated election or authorization date: _____ [mm/dd/yyyy]

4.2 Project Design (Select only one)

- ☒ Completed ☐ Engineer Selected ☐ Date of Completion Unknown ☐ Scheduled for Completion
- Enter anticipated completion date: 08/01/2009 [mm/dd/yyyy]

4.3 Applicable Plan and Specification Approvals (Select only one)

- ☐ Obtained (mail or upload approval notification)
- ☒ Date of Approval Unknown
- ☐ Not Applicable (use textbox below to explain)
- ☐ Scheduled to Obtain Permits
- If scheduled, enter anticipated permit(s) date: _____ [mm/dd/yyyy]
- If not applicable, then explain: _____

4.4 Project Bids (Select only one)

- ☒ Solicited Project for Bidding ☐ Date of Solicit Unknown ☐ Scheduled to Solicit Bid(s)
- If scheduled, enter anticipated bid award date: _____ [mm/dd/yyyy]

SECTION 5: REQUESTED AMOUNT AND CERTIFICATION/APPROVAL

5.1 Estimated Date WIFA Funding Required: 08/01/2009 [mm/dd/yyyy]5.2 Estimated Financial Assistance Costs & Funding Source (*Soft costs*)

Funding Source

Project Costs

Amount Funded Locally:

\$0.00

Amount Requested from WIFA:

\$730,000.00

Other Source: _____

\$0.00

Total Cost:

\$730,000.00

5.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.

First Name

Last Name

Title

Robert

Hardcastle

President

Authorized Signature: _____

Date: 2/26/09

Addendum to PPL Application American Recovery and Reinvestment Act (ARRA)

Community Name: Tonto Basin Water Co.
 Project Contact: Robert Hardcastle
 Project ID: DW-075-2009
 Project Title: Water Storage Tank Replacement

Date: 2/26/2009
 Phone: (661) 393-7000
 Email: RTH@jaco.com

Should this Application be considered for American Recovery and Reinvestment Act funds? ☒ Yes ☐ No. If Yes, complete the following questions below. If you have selected 'No', skip to the bottom of this addendum and select submit.

As stated in the cover letter, the purpose of the Act is to provide funds that will stimulate job creation through swift initiation of infrastructure projects. The citation below requires WIFA to provide preference to those purposes.

SECTION 1: PREFERENCE FOR QUICK START

ARRA Sec. 1602. In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit.

- 1.1 As of February 17, 2009, when will your project be prepared to start construction?
☐ Already Stated ☒ Within 60 days ☐ Within 120 days ☐ Within 180 days ☐ Within 365 days

To enter into a loan agreement, organizations must have debt authorization. If you are not sure what this requires for your organization, refer to WIFA's documents "WIFA Debt Authorization Guidance Document" and "Sample Debt Authorization Resolution."

- 1.2 Do you currently have debt authorization? ☐ Yes ☒ No. If no, when will do you plan on receiving debt authorization? Prior to: ☐ March, 3 2009 ☐ March 17, 2009 ☐ April 14, 2009 ☒ May 19, 2009 ☐ June 16, 2009 ☐ Other
- 1.3 After the start of construction, when will construction be completed and/or the final loan disbursement be requested from WIFA?
☒ Within 6 months ☐ Within 1 year ☐ Within 2 years ☐ Within 3 years

SECTION 2: USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS

ARRA Sec. 1605. Use of American Iron, Steel, and Manufactured Goods. (a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. (b) Subsection (a) shall not apply in any case or category of cases in which the head of the Federal department or agency involved finds that--

- applying subsection (a) would be inconsistent with the public interest;
- iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.
- If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (a) based on a finding under subsection (b), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.
- This section shall be applied in a manner consistent with United States obligations under international agreements.

- 2.1 Are you willing to include this "Use of American Iron, Steel, and Manufactured Goods" requirement in your plans and specification documents and provide supporting documentation that you have complied with this requirement? ☒ Yes ☐ No
 If No, please provide a brief explanation below:

- 2.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No. If No, would you be willing to re-bid? ☐ Yes ☒ No. If you had to go back out and re-bid, please adjust your answer in Section 1, if necessary.

SECTION 3: WAGE RATE REQUIREMENT

Sec. 1606. Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and

mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

- 3.1 Are you willing to include this "Wage Rate Requirement" in your plans and specification documents and provide supporting documentation that you have complied with this requirement? ☒ Yes ☐ No
If No, please provide a brief explanation below:

- 3.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No If No, would you be willing to re-bid? ☒ Yes ☐ No If you had to go back out and re-bid, please adjust your answer in Section 1, if necessary.

SECTION 4: POTENTIAL PROJECT DELAYS

- 4.1 To your knowledge, are there any issues such as NEPA compliance, SHPO compliance, Permit requirements, etc, that could possibly delay your project? ☐ Yes ☒ No
If yes, please explain briefly below:

SECTION 5: REPORTING REQUIREMENTS

- 5.1 Each Calendar quarter during construction, you will be required to provide a report outlining at a minimum the following information:

- Completion status of the project
- Estimated number of jobs created each quarter
- Estimated number of jobs retained since the last quarter

Will you be capable of providing this type of reporting? ☐ Yes ☒ No

- 5.2 Please estimate the total number of jobs 0 that will be created or retained if this project receives ARRA funding and provide a brief explanation below:

SECTION 6: GREEN, EFFICIENT, INNOVATIVE PROJECTS

- 6.1 Does your project address any of the following: green infrastructure, water or energy efficiency improvements or other environmentally innovative activities? ☒ Yes ☐ No

6.2 Sustainability Infrastructure Practices

A. Water Re-Use & Conservation - Project/System

The use of improved technologies and practices to deliver equal or better services with less water.

- ☐ project will generate or utilize reclaimed water for direct re-use
☒ project will correct water loss issues
☐ project will enhance water conservation program(s)

B. Energy Use & Conservation (Efficiency)

Includes capital projects that reduce the energy consumption of eligible water quality projects or produce clean energy used by a treatment works

- ☒ project will significantly improve system efficiency
☐ project will employ significant alternative energy sources and/or co-generation efforts
☐ project will include an Energy Audit

C. Green Practices (Green Infrastructure)

Green Infrastructure includes a wide array of practices at multiple scales that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater.

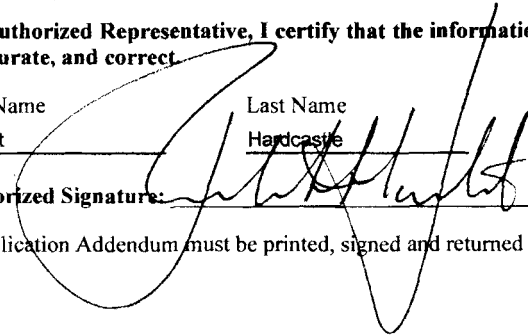
Percentage of Project

25

50

- ☐ project will address stormwater through green infrastructure practices
- D. Environmentally Innovative Projects
 Projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal at the least life-cycle costs, subject to environmental review results. Includes approaches to incorporate green infrastructure into drinking water, stormwater and wastewater utility infrastructure and management.
- ☐ project utilizes solid waste reduction alternatives
- ☐ project meets EPA "Green Building" practices
- ☐ other: _____

6.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.

First Name	Last Name	Title
Robert	Hardcastle	President
Authorized Signature: 		Date: 2/26/09

This Application Addendum must be printed, signed and returned to WIFA within 5 days of electronic submittal

Close

Bob Hardcastle

From: eApps@azwifa.gov
Sent: Thursday, February 26, 2009 3:52 PM
To: jbernreuter@azwifa.gov
Cc: Bob Hardcastle; tcorcutt@azwifa.gov
Subject: eApps.azwifa.gov - Environmental Review Checklist

Environmental Review Checklist

Community Name: Tonto Basin Water Co.

Project Contact: Robert Hardcastle Phone Number: (661) 393-7000 Date: 2/26/2009

Project Title: Water Storage Tank Replacement

Project ID: DW-075-2009

Please fill out the following checklist to the best of your ability. The information below will aid in determining the necessary environmental review requirements for the proposed project.

1. ☒ Yes ☐ No ☐ NA The project is directed towards rehabilitation of existing facilities, functional replacement of equipment, or the construction of new ancillary facilities adjacent or appurtenant to existing facilities which do not affect the degree of treatment or capacity of the existing facility.
2. ☐ Yes ☒ No ☐ NA The project is for minor upgrading or minor expansion (*minor - less than 30%*) of existing treatment works, collection or distribution system.
3. ☐ Yes ☐ No ☒ NA The project is in an unsewered community where on-site technologies are proposed. (*Clean Water Projects only*)
4. ☐ Yes ☐ No ☒ NA The project will create a new, or relocate an existing, discharge to surface or ground waters.
5. ☐ Yes ☐ No ☒ NA The project will result in substantial increases in the volume of discharge or the loading of pollutants from an existing source or from new facilities to receiving waters.
6. ☐ Yes ☐ No ☒ NA The project is known or expected to have a significant effect on the quality of the human environment, either individually, cumulatively over time, or in conjunction with other federal, state, local or private actions.
7. ☐ Yes ☐ No ☒ NA The project is known or expected to directly or indirectly affect cultural resources, habitat of endangered or threatened species, environmentally important natural resource areas such as floodplains, wetlands, important farmlands and aquifer recharge zones: or other resource areas.
8. ☐ Yes ☒ No ☐ NA The project is known or expected to cause significant public controversy.

9. ☐ Yes ☒ No ☐ NA The project is known or expected not to be cost effective.

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Tonto Basin Water Co., Inc.

Exhibit 4

Proforma Balance Sheet

Tonto Basin Water Co., Inc.

2009 Pro-Forma Financial Statements

12-Mar-09

	<u>31-Jan-09</u>	<u>31-Dec-08</u>
Assets:		
Water Utility Plant		
Utility Plant in Service	\$1,165,586	\$1,163,664
WIFA utility assets	\$73,000	\$0
Less: accumulated depreciation	-\$506,057	-\$502,951
Water Utility Plant, net	<u>\$732,529</u>	<u>\$660,713</u>
Other Utility Assets		
Current Assets		
Receivables	\$0	\$0
Prepaid and Other	<u>\$5,521</u>	<u>\$6,625</u>
	<u>\$5,521</u>	<u>\$6,625</u>
TOTAL ASSETS	<u>\$738,050</u>	<u>\$667,338</u>
Liabilities and Equity:		
Equity		
Common stock	\$276,219	\$276,218
Additional paid-in capital	\$79,748	\$79,748
Retained Earnings (deficit)	\$408,175	\$308,587
Current Year, net income	<u>\$2,845</u>	<u>\$99,588</u>
Total Equity	<u>\$766,987</u>	<u>\$764,141</u>
Current Liabilities		
Affiliate Payables	<u>-\$321,329</u>	<u>-\$320,010</u>
Total Current Liabilities	<u>-\$321,329</u>	<u>-\$320,010</u>
Deferred Credits		
Deferred State Income Tax	-\$103,000	-\$103,000
AIAC	\$86,017	\$86,017
CIAC	\$294,304	\$297,397
A/A CIAC	<u>-\$57,929</u>	<u>-\$57,207</u>
Total Deferred Credits	<u>\$219,392</u>	<u>\$223,207</u>
Long Term Debt		
WIFA	\$73,000	\$0
TOTAL LIABILITIES & EQUITY	<u>\$738,050</u>	<u>\$667,338</u>